
MEDICAL SYSTEM NETWORK Co., Ltd.

Second Quarter (Interim) of Fiscal Year Ending March 2025
Standard Market of Tokyo Stock Exchange; Securities Code: 4350

Data Book

(November 8, 2024)



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- ※ The contents of this report pertaining future earnings described are based on information the company has held, and on certain assumptions supervising rational judgement, and are not what the company promises to achieve. There are numerous factors that may cause actual earnings to differ.
- ※ Caution is given to the accuracy of information, and we do not take responsibility for loss etc., as a result of misinformed information.
- ※ Furthermore, this report is not prepared for the purposes of investment solicitation. Readers are responsible for their own judgement in any decision regarding investments.

1. Consolidated Statement of Income and Comprehensive Income

(1) Consolidated Statement of Income

(million yen)

	FY3/2023	FY3/2024		FY3/2025	
	Interim 4/2022 - 9/2022	Interim 4/2023 - 9/2023	Change	Interim 4/2024 - 9/2024	Change
Net sales	53,340	56,461	3,121	59,761	3,300
(YoY)	2.2%	5.9%	—	5.8%	—
Community Pharmacy Network Segment	50,792	53,765	2,972	57,074	3,308
Leasing and Facility related Segment	1,673	1,687	14	1,729	42
Meal Catering Segment	1,135	1,189	54	1,177	(12)
Home Visit Nursing Segment	151	155	4	174	18
Adjustments	(412)	(336)	75	(394)	(57)
Cost of sales	31,024	33,008	1,983	35,097	2,089
(% of Net sales)	58.2%	58.5%	—	58.7%	—
Gross profit	22,315	23,453	1,137	24,664	1,211
(YoY)	2.1%	5.1%	—	5.2%	—
(% of Net sales)	41.8%	41.5%	—	41.3%	—
SG&A expenses	21,215	21,740	524	23,636	1,896
(% of Net sales)	39.8%	38.5%	—	39.6%	—
Labor costs	12,258	12,520	261	13,406	886
Depreciation	584	633	48	754	120
Amortization of goodwill	565	561	(3)	588	26
EBITDA	2,537	3,247	710	2,697	(549)
Operating profit	1,099	1,712	612	1,027	(684)
(YoY)	(40.9%)	55.7%	—	(40.0%)	—
(% of Net sales)	2.1%	3.0%	—	1.7%	—
Community Pharmacy Network Segment	2,384	※2 2,947	563	2,241	(706)
Leasing and Facility related Segment	(65)	※2 69	134	99	29
Meal Catering Segment	(33)	(23)	10	(7)	15
Home Visit Nursing Segment	(10)	(20)	(9)	(12)	8
Adjustments	(1,175)	(1,261)	(85)	(1,293)	(32)
Non-operating profit	325	179	(146)	180	0
Interest income and Dividend income	3	3	(0)	3	0
Other	※1 322	176	(146)	176	0
Non-operating expenses	182	199	17	187	(11)
Interest expenses	138	157	18	130	(26)
Other	43	42	(1)	57	14
Ordinary profit	1,242	1,692	449	1,020	(672)
(YoY)	(44.4%)	36.2%	—	(39.7%)	—
(% of Net sales)	2.3%	3.0%	—	1.7%	—
Extraordinary income	7	22	15	56	33
Extraordinary losses	85	9	(75)	239	229
Profit before income taxes	1,165	1,705	540	837	(868)
Income taxes	653	839	186	615	(223)
Profit attributable to non-controlling interests	10	5	(4)	14	9
Profit attributable to owners of parent	502	861	359	207	(654)
(YoY)	(64.9%)	71.5%	—	(76.0%)	—
(% of Net sales)	0.9%	1.5%	—	0.3%	—

※1 Includes subsidy income of 114 million for online eligibility verification.

※2 From FY3/2024, transfer of expenses related to pharmacy development from the leasing and equipment-related business to the community pharmacy sector 78 million yen.

(2) Consolidated Statement of Comprehensive Income

(million yen)

	FY3/2023 Interim 4/2022 - 9/2022	FY3/2024 Interim 4/2023 - 9/2023		FY3/2025 Interim 4/2024 - 9/2024	
			Change		Change
Profit	512	866	354	221	(645)
Other comprehensive income	11	25	14	11	(14)
Valuation difference on available-for-sale securities	0	12	12	(2)	(15)
Deferred gains or losses on hedges	1	0	(1)	0	0
Remeasurements of defined benefit plans, net of tax	9	12	3	13	0
Comprehensive income	523	892	368	232	(659)
(YoY)	(63.9%)	70.3%	—	(73.9%)	—
Comprehensive income attributable to owners of parent	513	887	373	218	(668)
Comprehensive income attributable to non-controlling interests	10	5	(4)	14	9

2. Consolidated Balance Sheet

(million yen)

	FY3/2024	FY3/2024		FY3/2025	
	Interim	End of 3/2024		Interim	
	End of 9/2023		Change	End of 9/2024	Change
Total current assets	19,668	20,773	1,104	22,173	1,399
Cash and deposits	7,643	8,273	629	8,689	416
Accounts receivable - trade	3,676	4,239	563	4,329	89
Inventories	5,720	5,541	(178)	6,434	892
Other	2,628	2,718	89	2,719	0
Total non-current assets	46,586	47,376	790	47,803	427
Property, plant and equipment	28,128	28,336	207	28,987	650
Buildings and structures, net	13,285	12,996	(289)	13,428	432
Land	9,031	9,290	258	9,293	3
Leased assets	4,114	4,184	70	4,098	(85)
Construction in progress	145	325	179	366	41
Other	1,551	1,539	(11)	1,798	259
Intangible assets	11,272	11,281	9	10,726	(554)
Goodwill	10,622	10,613	(8)	9,944	(668)
Other	650	668	18	781	113
Investment and other assets	7,185	7,759	573	8,090	331
Investment securities	177	184	7	180	(4)
Guarantee deposits	3,303	3,419	116	3,786	367
Deferred tax assets	2,927	3,339	412	3,266	(73)
Other	777	815	37	856	40
Total assets	66,255	68,149	1,894	69,976	1,826
Total current liabilities	22,158	23,213	1,055	28,048	4,834
Accounts payable - trade	10,135	10,935	799	10,800	(135)
Short-term borrowings	1,136	588	(548)	5,339	4,751
Current portion of long-term	4,905	5,122	217	4,567	(555)
Lease obligations	390	406	15	418	12
Income taxes payable	687	999	312	533	(466)
Other	4,903	5,160	257	6,389	1,228
Total non-current liabilities	28,899	29,716	816	26,659	(3,057)
Long-term borrowings	17,843	18,309	466	15,188	(3,121)
Lease obligations	4,687	4,754	67	4,646	(108)
Provision for retirement benefits for directors (and other officers)	648	691	43	690	(0)
Retirement benefit liability	4,299	4,534	234	4,709	175
Other	1,420	1,426	5	1,424	(2)
Total liabilities	51,057	52,930	1,872	54,708	1,777
Shareholders' equity	15,268	15,284	15	15,307	23
Share capital	2,128	2,128	—	2,128	—
Capital surplus	1,182	937	(245)	946	9
Retained earnings	12,284	13,100	816	13,124	23
Treasury shares	(326)	(882)	(555)	(891)	(9)
Accumulated other comprehensive income	(113)	(112)	—	(101)	11
Non-controlling interests	42	47	5	62	14
Total net assets	15,197	15,219	21	15,268	49

3. Consolidated Statement of Cash Flows

(million yen)

	FY3/2023 Interim 4/2022 - 9/2022	FY3/2024 Interim 4/2023 - 9/2023	FY3/2025 Interim 4/2024 - 9/2024
Cash flows from operating activities	1,701	3,611	517
Profit before income taxes	1,165	1,705	837
Depreciation	872	972	1,081
Impairment loss	18	5	223
Amortization of goodwill	565	561	588
Increase (decrease) in provision	265	261	180
Loss(gain)on disposal of assets and valuation of securities	39	(21)	(39)
Interest and dividend income, Interest expenses	135	131	127
Decrease (increase) in notes and accounts receivable - trade	(437)	(239)	(53)
Decrease (increase) in inventories	(456)	(470)	(904)
Increase (decrease) in notes and accounts payable - trade	150	198	(167)
Other	91	1,279	(211)
Subtotal	2,410	4,385	1,661
Interest and dividend income received, interest expenses paid	(136)	(130)	(130)
Income taxes paid	(572)	(644)	(1,014)
Cash flows from investing activities	(902)	(1,209)	(785)
Purchase of tangible fixed assets	(670)	(968)	(1,456)
Proceeds from sales of tangible fixed assets	22	0	9
Purchase of intangible fixed assets	(156)	(122)	(205)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	—	(14)
Proceeds from sale of businesses	—	31	1,547
Payments of loans receivable	(0)	(1)	(170)
Collection of loans receivable	3	1	0
Payments for guarantee deposits	(49)	(132)	(442)
Proceeds from collection of guarantee deposits	30	35	56
Other	(81)	(54)	(110)
Cash flows from financing activities	(2,226)	(2,899)	685
Net increase (decrease) in short-term loans payable	500	120	4,751
Repayments of long-term loans payable	(2,392)	(2,630)	(3,676)
Repayments of lease obligations	(120)	(205)	(211)
Proceeds from share issuance to non-controlling shareholders	(213)	(182)	(177)
Net increase (decrease) in cash and cash equivalents	(1,427)	(497)	416
Cash and cash equivalents at beginning of period	8,171	8,111	8,242
Cash and cash equivalents at end of period	6,743	7,613	8,659

4. Key Financial Indicators (consolidated)

	FY3/2024 Interim 4/2023 - 9/2023	FY3/2024 4/2023 - 3/2024	FY3/2025 Interim 4/2024 - 9/2024
No. of Shares outstanding (including treasury stocks)	30,642,600	30,642,600	30,642,600
No. of Shares outstanding (excluding treasury stocks)	30,178,545	29,228,545	29,228,545
Stock price as of the end of the period (yen)	408	665	433
Market cap (million yen)	12,312	19,436	12,655
E P S (yen)	28.54	61.89	7.08
B P S (yen)	502.18	519.06	520.26
P E R (times)	—	10.7	—
P B R (times)	0.8	1.3	0.8
R O E (%)	—	12.6	—
R O A (%)	—	5.7	—
Equity ratio (%)	22.9	22.3	21.7

5. Dividends

<plan>

	FY3/2023	FY3/2024	FY3/2025
Annual dividend (yen)	12.00	12.00	12.00
Interim (yen)	6.00	6.00	6.00
Year-end (yen)	6.00	6.00	6.00
Total dividends (million yen)	366	361	357
Payout ratio (%)	22.5	19.4	28.1
Dividend yield (%)	3.0	1.8	—

6. No. of Employees (consolidated)

(persons)

	FY3/2024 Interim End of 9/2023	FY3/2024 End of 3/2024		FY3/2025 Interim End of 9/2024	
			Change		Change
Community Pharmacy Network Segment	3,741	3,794	53	3,959	165
Full-time employees	3,231	3,267	36	3,399	132
(Pharmacists)	1,555	1,529	(26)	1,589	60
Temporary employees	510	527	17	560	33
(Pharmacists)	288	296	8	309	13
Leasing and Facility related Segment	152	146	(6)	138	(8)
Full-time employees	140	134	(6)	127	(7)
Temporary employees	12	12	0	11	(1)
Meal Catering Segment	406	398	(8)	396	(2)
Full-time employees	167	160	(7)	171	11
Temporary employees	239	238	(1)	225	(13)
Home Visit Nursing Segment	57	59	2	58	(1)
Full-time employees	44	46	2	44	(2)
Temporary employees	13	13	0	14	1
Corporate	152	149	(2)	167	18
Full-time employees	139	137	(2)	153	16
Temporary employees	13	12	(0)	14	2
Total	4,507	4,546	39	4,718	172
Full-time employees	3,721	3,744	23	3,894	150
Temporary employees	786	802	16	824	22

※The number of full-time employees is as of the end of each fiscal year. The number of temporary employees is yearly average number of persons employed based on 8-hour conversion.

7. Community Pharmacy Network Segment

(1) Community Pharmacy Business

① No. of pharmacies

	FY3/2023				FY3/2024				FY3/2025 Interim			
	4/2022 - 3/2023				4/2023 - 3/2024				4/2024 - 9/2024			
	Openings	M & A	Closings Transfers	End of FY	Openings	M & A	Closings Transfers	End of FY	Openings	M & A	Closings Transfers	End of FY
No. of pharmacies	8	2	7	428	13	18	9	450	11	1	10	452
Hokkaido area	2	—	4	122	3	—	5	120	3	1	1	123
Tohoku area	—	—	—	24	1	7	—	32	—	—	1	31
Kanto/Koshinetsu area	3	2	—	101	5	1	2	105	4	—	3	106
Tokai/Hokuriku area	—	—	—	44	—	—	—	44	—	—	—	44
Kinki area	3	—	3	53	1	—	2	52	4	—	1	55
Chugoku/Shikoku area	—	—	—	21	1	—	—	22	—	—	—	22
Kyushu area	—	—	—	63	2	10	—	75	—	—	4	71
Care plan centers	—	—	—	1	—	—	—	1	—	—	—	1
Drug/cosmetic stores	—	—	—	9	1	—	1	9	—	—	—	9

② Dispensing fee breakdown (No. of prescriptions / Unit price)

	FY3/2023	FY3/2024		FY3/2025			
	Interim	Interim		Interim			
	4/2022 - 9/2022	4/2023 - 9/2023		4/2024 - 9/2024			
		Change	Change(%)	Change	Change(%)		
No. of prescriptions(a)(1,000)	4,517	4,777	260	5.8%	4,947	169	3.6%
Unit price(b) (yen)	10,061	10,033	(28)	(0.3%)	10,228	195	1.9%
Drug charge per prescription	7,634	7,687	54	0.7%	7,828	140	1.8%
Technical fee per prescription	2,427	2,346	(81)	(3.3%)	2,400	54	2.3%
Dispensing fee(a)*(b)(million yen)	45,448	47,935	2,487	5.5%	50,600	2,664	5.6%

③ Dispensing fee breakdown by new openings and M&A period

(million yen)

	FY3/2024		FY3/2025		
	Interim		Interim		
	4/2023 - 9/2023		4/2024 - 9/2024		Change
		% of Net sales	% of Net sales		
Dispensing fee	47,935	100.0%	50,600	100.0%	2,664
Existing pharmacies (Openings~2023.3)	47,116	98.3%	47,805	94.5%	688
New openings (4/2023~3/2024)	111	0.2%	443	0.8%	331
M&A (4/2023~3/2024)	—	—	1,610	3.2%	1,610
New openings (4/2024~9/2024)	—	—	500	1.0%	500
M&A (4/2024~9/2024)	—	—	62	0.1%	62
Closings / Transfers	707	1.5%	178	0.4%	(528)

④ Monthly dispensing fee (All / Existing) (YoY)

(%)

All pharmacies (YoY)	4/2024	5/2024	6/2024	7/2024	8/2024	9/2024	FY3/2025 1st half total
Dispensing fee	9.7	7.6	0.8	11.8	1.4	2.6	5.6
No. of prescriptions	9.3	5.7	(1.7)	7.6	0.9	(0.2)	3.6
Unit price	0.3	1.8	2.5	3.9	0.4	2.8	1.9

Existing pharmacies (YoY)	4/2024	5/2024	6/2024	7/2024	8/2024	9/2024	FY3/2025 1st half total
Dispensing fee	6.1	4.1	(2.9)	7.1	(3.3)	(1.9)	1.5
No. of prescriptions	4.9	1.1	(5.7)	3.0	(3.5)	(4.4)	(0.8)
Unit price	1.1	2.9	3.0	4.0	0.2	2.7	2.3

※Existing pharmacies definition: Pharmacies that have been continuously open since April 1, 2023 for the current FY

(2) Pharmaceutical Network Business

①No.of Network affiliates

Attribute Area	FY3/2024 (End of 3/2024)			FY3/2025 (End of 9/2024)		
	MSNW community pharmacies	General network affiliates	Total	MSNW community pharmacies	General network affiliates	Total
Hokkaido	120	240	360	123	229	352
Tohoku	32	655	687	31	722	753
Kanto/Koshinetsu	105	2,908	3,013	106	3,183	3,289
Tokai/Hokuriku	44	1,594	1,638	44	1,664	1,708
Kinki	52	1,547	1,599	55	1,674	1,729
Chugoku/Shikoku	22	963	985	22	997	1,019
Kyushu/Okinawa	75	1,399	1,474	71	1,514	1,585
Total	450	9,306	9,756	452	9,983	10,435

②Pharmaceuticals transactions volume

(million yen)

	FY3/2023 Interim 4/2022 - 9/2022	FY3/2024 Interim 4/2023 - 9/2023		FY3/2025 Interim 4/2024 - 9/2024			
		Change	Change(%)	Change	Change(%)		
	Pharmaceuticals transactions volume	249,358	303,527	54,168	21.7%	328,894	25,366

8. Consolidated Earnings Forecast

(million yen)

	FY3/2024 4/2023~3/2024		FY3/2025 4/2024~3/2025		
	Results	% of Net sales	Forecast ※1	% of Net sales	(YoY)
Net sales	115,361	100.0%	122,000	100.0%	5.8%
Community Pharmacy Network Segment	109,904	95.3%	116,352	95.4%	5.9%
Leasing and Facility related Segment	3,611	3.1%	3,493	2.9%	(3.3%)
Meal Catering Segment	2,360	2.0%	2,358	1.9%	(0.1%)
Home Visit Nursing Segment	314	0.3%	343	0.3%	9.2%
Adjustments	(828)	-	(548)	-	-
Gross profit	47,925	41.5%	50,998	41.8%	6.4%
SG&A expenses	44,093	38.2%	47,998	39.3%	8.9%
Labor costs	25,279	21.9%	26,962	22.1%	6.7%
Depreciation	1,356	1.2%	1,684	1.4%	24.2%
Amortization of goodwill	1,132	1.0%	1,162	1.0%	2.6%
EBITDA	6,997	6.1%	6,440	5.3%	(8.0%)
Operating profit	3,832	3.3%	3,000	2.5%	(21.7%)
Community Pharmacy Network Segment	6,433	※2 5.9%	5,531	※2 4.8%	(14.0%)
Leasing and Facility related Segment	158	※2 4.4%	192	※2 5.5%	21.6%
Meal Catering Segment	(43)	-	32	※2 1.4%	-
Home Visit Nursing Segment	(43)	-	(24)	-	-
Adjustments	(2,671)	-	(2,732)	-	-
Ordinary profit	3,825	3.3%	3,000	2.5%	(21.6%)
Profit attributable to owners of parent	1,860	1.6%	1,250	1.0%	(32.8%)

※1 Revised full-year forecasts on 31 October 2024.

※2 % of Segment sales



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